

Message Text

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ACTION EA-09

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 CU-02 SY-05 OPR-02 EB-07 COME-00 TRSE-00

OES-03 FEA-01 INT-05 SNM-02 DEAE-00 /093 W

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R 170940Z MAR 76

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 1159

INFO CINCPAC HONOLULU HI

AMCONGEN HONG KONG

AMEMBASSY KUALA LUMPUR

DEA BANGKOK BY POUCH

AMEMBASSY BANGKOK BY POUCH

AMCONSUL CHIANG MAI BY POUCH

AMEMBASSY KATHMANDU BY POUCH

AMCONSUL MANDALAY BY POUCH

AMEMBASSY NEW DELHI BY POUCH

USLO PEKING BY POUCH

AMCONSUL UDORN BY POUCH

C O N F I D E N T I A L SECTION 1 OF 2 RANGOON 0876

E.O. 11652: GDS

TAGS: PINT, PFOR, BM

SUBJECT: JOINT WEEKA #11

1. PRG FONMIN STOPS IN RANGOON (UNCLAS)

PRG FONMIN MADAME THI BINH LANDED BRIEFLY AT RANGOON AIRPORT IN THE EARLY MORNING HOURS OF MARCH 10 ENROUTE FROM THE USSR TO VIETNAM. SHE WAS GREETED BY DEPUTY FOREIGN MINISTER U WIN AS WELL AS THE SOVIET AND CZECH AMBASSADORS DURING HER ONE HOUR STOP. FONMIN U HLA PHONE WAS EVIDENTLY NOT UP TO MEETING THE PRG MINISTER AT 3:00 A.M.

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2. STUDENT DEMONSTRATION (LOU)

ALTHOUGH POSSIBLY MORE AN EXPRESSION OF STUDENT HIGH SPIRITS AT EXAMINATION TIME THAN A SERIOUS VOICING OF POLITICAL OPINION, RANGOON UNIVERSITY STUDENTS GATHERED BY ROAD NEAR UNIVERSITY EVENING OF MARCH 12 TO SHOUT IRONIC PARODIES OF OFFICIAL SLOGANS HEARD DURING RECENT UNION DAY FESTIVITIES ("THE COUNTRY'S AFFAIRS ARE OUR AFFAIRS") AND TO CALL FOR REMOVAL OF GUB LEADERS. POLICE AND MILITARY DID NOT INTERFERE WITH DEMONSTRATION.

3. HLUTTAW CONTINUES (UNCLAS)

HLUTTAW (PEOPLE'S ASSEMBLY) MEETING GRINDS ONE AND WILL REPORTEDLY CONCLUDE MARCH 20. MAIN ACTION SO FAR HAS BEEN APPROVAL OF TWO MINISTERS, CONSIDERATION OF THE 1976-77 BUDGET, INTRODUCTION OF ECONOMIC PLAN FOR COMING FISCAL YEAR AND DISCUSSION OF ADMINISTRATIVE AND ECONOMIC REPORTS CONCERNING NATION'S PERFORMANCE IN PAST YEAR.

4. GUB BUDGET DEFICIT GROWS (UNCLAS)

GUB BUDGET DEFICIT FOR FY 1975-76 WHICH ENDS MARCH 31 WAS ORIGINALLY ESTIMATED AT K241 (\$38.6) MILLION; AFTER SUPPLEMENTARY APPROPRIATIONS LAST YEAR ESTIMATED DEFICIT GREW TO K551 (\$88.2) MILLION; AND NOW, NEAR END OF FISCAL YEAR, PRIMIN TOLD PEOPLE'S ASSEMBLY DEFICIT WILL BE K674 (\$107.8) MILLION. THIS FIGURE STILL SMALLER THAN ESTIMATED DEFICIT FOR COMING 1976-77 FY WHICH IS PLACED AT K803.1 (\$128.5) MILLION. COMMENT: BUDGET DEFICITS HAVE CONTRIBUTED TO HIGH INFLATION RATE OF MORE THAN 30 PERCENT IN EACH OF LAST TWO YEARS. SOME GUB REPORTS TO ASSEMBLY SESSION SEEM TO RECOGNIZE THIS, BUT WITH ERODING TAX BASE, COSTLY SOCIAL PROGRAMS AND INEFFICIENT GOVERNMENT CORPORATIONS AND AGENCIES TO SUPPORT, GUB APPARENTLY CAN FIND NO OTHER SOLUTION TO ITS FINANCIAL PROBLEMS.

5. CHIEF OF STAFF PROMOTED (LOU)

MAJOR GENERAL KYAW HTIN, NEWLY APPOINTED CHIEF OF STAFF, BURMA DEFENSE SERVICES WAS PROMOTED TO HIS PRESENT RANK AND CONFIRMED AS MINISTER OF DEFENSE BY CURRENT PEOPLE'S ASSEMBLY. KYAW HTIN
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REPLACED GENERAL TIN OO, THE OUSTED FORMER MINISTER AND CHIEF OF STAFF. COMMENT: NOTEWORTHY IS FACT THAT KYAW HTIN WAS PROMOTED ONLY ONE RANK AND NOT TO FULL GENERAL AS HIS PREDECESSORS HAD BEEN. WHAT THIS PORTENDS IS UNKNOWN AT THIS TIME, BUT IT COULD SIGNIFY THAT HE DOES NOT YET ENJOY THE FULL CONFIDENCE OF NE WIN; TWO YEARS AGO WHEN TIN OO WAS APPOINTED, HE WAS PROMOTED TO FULL GENERAL.

6. COLONEL TIN SWE APPOINTED MINISTER FOR INDUSTRY (UNCLAS)

COLONEL TINT SWE FORMERLY A DEPUTY MINISTER IN PRIME MINISTER'S OFFICE WAS ELECTED TO COUNCIL OF MINISTERS BY PEOPLE'S ASSEMBLY. TINT SWE WILL ASSUME POSITION AS MINISTER FOR INDUSTRY 1 REPLACING U MAUNG CHO WHO HAS HELD PORTFOLIO FOR BOTH MINISTRY OF INDUSTRY 1 AND 2 SINCE EARLY JANUARY. COMMENT: THIS RE-CREATES CONFUSING SITUATION OF TWO MINISTRIES WITH OVERLAPPING DUTIES AND RESPONSIBILITIES FOR BURMA'S SMALL INDUSTRIAL SECTOR WHICH HAD BEEN PARTLY RESOLVED BY PLACING BOTH MINISTRIES UNDER ONE PERSON (RANGOON 0066).

7. CRACKDOWN ON BLACK MARKET CONTINUES (UNCLAS)

CAMPAIGN AGAINST SMUGGLED GOODS, BOTH COMING IN AND GOING OUT OF BURMA, APPEARS TO BE INCREASING WITH MANY ARRESTS, AND SEIZURES REPORTED AROUND THE COUNTRY. WHILE TRAIN FROM MOULMEIN, WHICH CARRIES MUCH OF THE MERCHANDISE SMUGGLED FROM THAILAND, IS REPORTEDLY BEING HALTED AND SEARCHED FOR GOODS, AUTHORITIES HAVE YET TO MOVE AGAINST THE OPEN BLACK MARKET VENDORS IN RANGOON. COMMENT: IF THE CAMPAIGN CONTINUES AND THE SUPPLY OF THESE ESSENTIAL GOODS TO THE COMMODITY STARVED PUBLIC IS SHARPLY REDUCED, IT WILL DEPRESS THE STANDARD OF LIVING, ESPECIALLY IN THE URBAN CENTERS, EVEN FURTHER. ONE REPRESENTATIVE AT CURRENT PEOPLE'S ASSEMBLY NOTED PROUDLY THAT "ECONOMIC INSURGENTS" WERE BEING CRUSHED BUT ADDED THAT THIS, OF COURSE, IS CAUSING PRICES TO SOAR.

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C O N F I D E N T I A L SECTION 2 OF 2 RANGOON 0876

8. REFINERY AT MANN FIELD (LOU)

JAPANESE SURVEY TEAM RECENTLY COMPLETED FEASIBILITY STUDY FOR CONSTRUCTION OF A REFINERY AT MANN FIELD IN CENTRAL BURMA. PLAN IS TO FINANCE REFINERY WITH \$7 MILLION YEN LOAN ORIGINALLY GRANTED BY GOJ IN 1973 FOR CONSTRUCTION OF REFINERY AT SYRIAM, NEAR RANGOON. THAT PROJECT FELL THROUGH WHEN JAPANESE INCREASED PRICE OF REFINERY FOLLOWING OIL CRISIS. FINAL DECISION TO CONSTRUCT REFINERY AT MANN IS STILL TO BE MADE.

9. MANN-GWEMA PIPELINE (LOU)

CONSTRUCTION OF THE 136 MILE MANN-GWEMA PIPELINE WILL BEGIN THIS
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SUMMER, ACCORDING TO MANN FIELD OFFICIAL. INITIAL INSTALLMENT OF PIPE WILL APPARENTLY BE TAKEN FROM THE LETPANDO PIPELINE WHICH NOW WILL REACH IRRAWADDY AT LETPANCHANG RATHER THAN LANYWA, AS ORIGINALLY PLANNED, THUS RELEASING ABOUT TWENTY MILES OF TEN-INCH PIPE. REMAINDER OF PIPE HAS YET TO BE PURCHASED.

10. OFFSHORE PETROLEUM DEVELOPMENTS (CONF)

MARTABAN-CITIES SERVICE IS HAVING DIFFICULTY AT ITS ARAKAN COAST SITE (BLOCK A-6) DUE TO HIGH PRESSURE AT 8,050 FOOT LEVEL. DIFFICULTY IN OBTAINING ADEQUATE QUANTITIES OF FUEL FROM OC PLUS PLANS TO CHANGE TO OIL BASED DRILLING MUD HAVE CAUSED TEMPORARY SHUTDOWN IN DRILLING OPERATIONS. JAPANESE AODC HAS PASSED THE 10,000 FOOT LEVEL IN BLOCK A-3, WITH DISCOURAGING RESULTS, SEDIMENTS BEING APPRECIABLY YOUNGER THAN EXPECTED. EUROPEAN CONSORTIUM TOTAL CONTINUES WORK AT ABOUT THE 2,500 FOOT LEVEL ON ITS SECOND WELL IN BLOCK A-5. SENIOR ESSO OFFICIALS WHO VISITED RANGOON LAST WEEK REPORTEDLY CONFIRMED ESSO'S INTENTION TO DRILL THREE MORE WELLS, BUT, IN ABSENCE OF ENCOURAGING RESULTS, QUITE POSSIBLY WILL PULL OUT AFTER THAT.

11. NARCOTICS: POPPY ERADICATION AND SEIZURES (UNCLAS)

LOCAL PAPERS NOTED THAT AN ADDITIONAL 385 ACRES OF POPPY HAD BEEN UPROOTED IN TWO SEPARATE AREAS. SINCE FEBRUARY 3, 250 ACRES WERE DESTROYED IN KUTKAI TOWNSHIP, NORTHERN SHAN STATE, AND 135 ACRES IN THAZI TOWNSHIP NEAR TAUNGGYI. IN A POLICE ACTION, OVER K30,000 WORTH OF HEROIN WAS SEIZED IN MYITKYINA; THERE WAS ONE ARREST.

12. TOURIST REGULATIONS (UNCLAS)

IN A RECENT MEETING WITH EMBASSY OFFICIALS THE DIRECTOR-GENERAL OF IMMIGRATION OUTLINED PLANS TO MAKE BURMESE LAWS CLEAR TO FOREIGN TOURISTS. TRAVEL RESTRICTIONS, CURRENCY REGULATIONS, AND DRUG LAWS WILL BE POSTED AT RANGOON AIRPORT AND IN BURMESE EMBASSIES ABROAD. THIS IS PROBABLY DIRECTED AT YOUNG "WORLD TRAVELERS" WHO REGULARLY SMUGGLE CURRENCY, DRUGS, AND CONSUMER GOODS INTO BURMA TO PAY FOR THEIR STAY. THE DIRECTOR-GENERAL ALSO INTIMATED THAT THE INFORMATION CAMPAIGN WILL BE FOLLOWED BY STRICTER ENFORCEMENT OF THESE REGULATIONS.

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Message Attributes

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